

M/027/007



State of Utah

DEPARTMENT OF ENVIRONMENTAL QUALITY DIVISION OF WATER QUALITY

Water Quality Board

Keith W. Welch
Chairman

Lynn F. Pett
Vice Chairman

R. Rex Ausburn, P.E.
David S. Bowles, Ph.D.,
P.E.

Nan Bunker

Leonard Ferguson

Dianne R. Nielson, Ph.D.

Joe C. Nielson

K.C. Shaw, P.E.

J. Ann Wechsler

Leroy H. Wullstein, Ph.D.

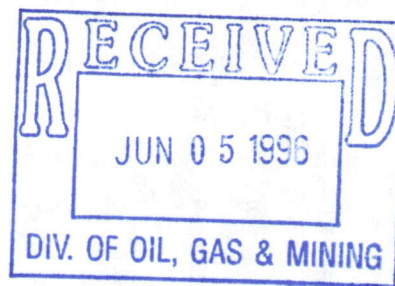
Don A. Ostler, P.E.
Executive Secretary

Michael O. Leavitt
Governor

Dianne R. Nielson, Ph.D.
Executive Director

Don A. Ostler, P.E.
Director

288 North 1460 West
P.O. Box 144870
Salt Lake City, Utah 84114-4870
(801) 538-6146 Voice
(801) 538-6016 Fax
(801) 536-4414 T.D.D.



May 13, 1996

CERTIFIED MAIL

(Return Receipt Requested)

DOGM
MINERALS PROGRAM
FILE COPY

Ed King
Jumbo Mining Company
6305 Fern Spring Cove
Austin, Texas 78730

Dear Mr. King:

Subject: Request for extension of permit application deadline and plan to control discharge from existing leach pads

We have reviewed the letter from Dave Hartshorn dated March 29, 1996, requesting an extension in our deadline for submission of a ground water discharge permit application from our January 18, 1996 letter.

As you know, the Drum Mine has been inactive for over five years. Also, for six years we have known about problems with releases of contaminants caused by cyanide heap leaching at the site. Despite repeated requests over the years, Jumbo has not taken any actions to contain the movement of contaminated ground water or stop the discharge of contaminants at the source. Inspections done last year show that liners and pipelines associated with the leach pads have deteriorated over the years of inactivity. This provides less containment of the remaining contaminants than when the pads were new, and the observed ground water contamination shows that even when new, this pad design did not provide adequate containment. These discharges are a violation of section 19-5-107 of the Utah Water Quality Act which forbids any person from discharging a pollutant into waters of the state without a valid discharge permit. "Waters of the state" as defined in the Act include accumulations of underground water such as the perched aquifer at the Drum Mine site or the regional aquifer located deep under the site.

The intent of our January 18, 1996 letter was to notify you of our determination that you are in non-compliance as described above and provide guidance for resolving the issue. This included stopping unacceptable discharges as soon as feasible, either by appropriate closure of the inactive leach pads or re-stacking the ore on new permitted pads. Since 1990, Jumbo has repeatedly stated that discharges from the leaching facilities would not cause any problems with ground



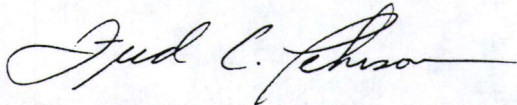
Mr. Ed King
May 13, 1996
Page 2

water pollution. We cannot accept this assertion based on data which shows otherwise and the deteriorated condition of the lines as described above. The longer Jumbo delays addressing the problem, the further the contaminants will spread in the subsurface, with greater potential liabilities for Jumbo.

In view of the above, we are not willing to further delay the implementation of the necessary measures to protect ground water. We are coordinating with the other state and federal agencies to decide on the appropriate course of action to resolve this issue, and expect this decision to be made soon. In the meantime, this will not preclude you from submitting a ground water permit application and accompanying schedule for future operation of the mine.

Please contact Mark Novak of this office if you have any questions.

Sincerely,



Fred C. Pehrson, P.E., Manager
Permits, Compliance & Monitoring Branch

FCP:MN:wfm

cc: Wayne Hedberg, DOGM
Dave Hartshorn, Drum Mine
Central Utah Health Dept.
Attorney General Office